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Report Highlights:

For 2004/05, in western Canada, seeded area is expected to shift out of spring wheat and coarse grains into oilseeds and durum wheat. In the east, a drop in winter wheat area is forecast to be offset by an increase in corn. Post forecasts that feed use projections will be directly impacted (higher) in 2003/04 and 2004/05 due to closure of overseas markets for Canadian live cattle exports resulting from the discovery of bovine spongiform encephalopathy (BSE) in 2003.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Ottawa [CA1]
[CA]

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NON-DURUM WHEAT

Production

Non-durum wheat acreage for 2004/05 is expected to drop below 2003/04 levels as declining projected Pool Return Outlook prices from the Canadian Wheat Board (CWB) for 2003/04 temper farmer's planting intentions. Assuming that yield levels are relatively unchanged from 2003/04, this will result in a slight decline in non-durum wheat production for 2004/05.

Trade

As a result of the forecast decrease in production, partially offset by higher beginning stocks, 2004/05 non-durum wheat imports are expected to increase slightly, while exports are expected to decline.

Policy

Post considers that the ongoing issues over bovine spongiform encephalopathy (BSE), while not related to any specific domestic policy, will have a somewhat negative impact on the production of non-durum wheat as farmers switch acreage to feed grains and other crops, (such as canola if moisture concerns in fact do not become a problem). The continuation of anti-dumping and countervailing duties by the U.S. Department of Commerce (USDOC) are expected to continue to make the U.S. an uneconomical market for Canadian non-durum wheat.

DURUM WHEAT

Production

Expectations of a winter with below average snowfall lending to the idea of moisture concerns for the upcoming growing season will result in increased plantings of durum wheat. Combined with increased yields, durum production for 2004/05 is expected to increase.

Trade

Durum imports for 2004/05 are expected to remain unchanged, while durum wheat exports are expected to increase due to increased supplies.

Policy

The determination by the U.S. International Trade Commission (USITC) and the subsequent dropping of anti-dumping and countervailing duties by USDOC will continue to be a positive factor for Canadian exports of durum wheat. The resumption in durum exports to the U.S. will be accompanied by increased exports to third-country markets on account of the overall increase in durum supplies.

BARLEY

Production

Under the assumption that barley acreage for 2004/05 will increase as farmers seek to provide more feed barley for the domestic cattle sector that is coping with BSE and record

cattle herd numbers, together with an anticipated increase in yield, Post forecasts that Canadian barley production will increase for 2004/05.

Trade

Good production will likely result in continued low barley imports, almost unchanged from 2003/04 levels. Increased requirements by the livestock feed sector will result in more domestic production being used locally. Barley exports are not expected to change from 2003/04 levels.

Policy

BSE will result in the increased barley supplies being used domestically for livestock feed consumption.

CORN**Production**

Increased acreage as Ontario farmers switch from winter wheat to corn will be partially offset by yields declining from record levels in 2003/04. This will result in an overall (slight) increase in corn production for 2004/05.

Trade

Reduced ending stocks for 2003/04 combined with only a marginal increase in corn production for 2004/05 will result in a marginal increase in corn imports. However, imports will not return to the record levels seen in 2002/03. Exports are expected to decline as domestic usage increases, primarily for industrial purposes.

Policy

While overall domestic corn consumption is expected to rise due to increased industrial usage, the effects of BSE are also expected to see additional corn (in silage and grain corn format) fed to livestock in eastern Canada.

OATS**Production**

Oat production for 2004/05 is forecast to increase due to higher yields and lower abandonment.

Trade

Oat imports for 2004/05 are forecast to decline slightly as domestic production increases. Exports, mainly to the US, are forecast to rise due to increased supplies and stronger US demand. Domestic use is forecast to increase and carry-out stocks are expected to rise.

BEANS (DRY)**Production**

Area seeded to dry beans for 2004/05 is forecast to decrease marginally. Production and total supply are expected to decrease, due mainly to a return to normal yields, from the higher-than-average yields experienced in 2003/04.

Trade

Canadian dry bean imports for 2004/05 are forecast to increase slightly to offset lower beginning stocks and production. Exports are forecast to decrease due to lower supply. Carry-out stocks are expected to decrease.

PEAS (DRY)**Production**

Canadian area seeded to dry peas for 2004/05 is forecast to decrease as farmers plant increased acreage to lentils. Production and supply are forecast to increase due to expected higher yields.

Trade

Canadian imports of dry peas for 2004/05 are forecast to decrease due to the higher anticipated production. Exports and domestic use are forecast to increase due to higher supply and lower prices. Carry-out stocks are forecast to remain unchanged.

LENTILS**Production**

Canadian seeded area to lentils for 2004/05 is forecast to increase as farmers switch from other special crops to lentils. Production and supply are forecast to increase due to the higher seeded area and expected higher yields.

Trade

Canadian imports for 2004/05 are forecast to decline marginally while exports are expected to increase due to increased supplies. Carry-out stocks are forecast to increase.

CROP PRICES FROM THE CANADIAN WHEAT BOARD

2004/05 Crop Year Pool Return Outlook (PRO)

http://www.cwb.ca/db/contracts/pool_return/pro.nsf/WebPRPub/2004_20040223.html

2003/04 payments for the various grades of wheat and barley in \$/tonne.

http://www.cwb.ca/en/contracts/farmer_payments/2003/tonne/index.jsp

2003/04 payments for the various grades of wheat and barley in \$/bushel.

http://www.cwb.ca/en/contracts/farmer_payments/2003/bushel/index.jsp

2002/03 payments for the various grades of wheat and barley in \$/tonne.

http://www.cwb.ca/en/contracts/farmer_payments/2002/tonne-final/index.jsp

2002/03 payments for the various grades of wheat and barley in \$/bushel.

http://www.cwb.ca/en/contracts/farmer_payments/2002/bushel-final/index.jsp

POLICY DEVELOPMENT AND INDUSTRY NEWS

The table below at the end of the report lists all reports regarding developments in grain policy and the grain industry since the 2003 Grain and Feed Annual Report.

STATISTICS

Table 1: All Wheat PSD

PSD Table

Country Commodity	Canada Wheat					
	(1000 HA)			(1000 MT)		
Market Year Begin	2002 USDA Official [Old]	Revised Post Estimate [New] 08/2002	2003 USDA Official [Old]	Estimate Post Estimate [New] 08/2003	2004 USDA Official [Old]	Forecast Post Estimate [New] 08/2004
Area Harvested	8836	8836	10470	10470	0	10200
Beginning Stocks	6729	6729	5650	5650	5650	5780
Production	16198	16198	23500	23500	0	24400
TOTAL Mkt. Yr. Imports	382	178	200	30	0	20
Jul-Jun Imports	382	179	200	30	0	20
Jul-Jun Import U.S.	129	21	0	15	0	10
TOTAL SUPPLY	23309	23105	29350	29180	5650	30200
TOTAL Mkt. Yr. Exports	9403	9030	16000	16100	0	16000
Jul-Jun Exports	9393	9013	16000	16100	0	16000
Feed Dom. Consumption	4124	4188	3500	3300	0	3700
TOTAL Dom. Consumptic	8256	8425	7700	7300	0	7700
Ending Stocks	5650	5650	5650	5780	0	6500
TOTAL DISTRIBUTION	23309	23105	29350	29180	0	30200

Table 2: Non-Durum Wheat PSD

PSD Table

Country Commodity	Canada		Wheat, Durum		(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New] 01/2002	2003 USDA Official [Old]	Estimate Post Estimate [New] 01/2003	2004 USDA Official [Old]	Forecast Post Estimate [New] 01/2004
Market Year Begin						
Area Harvested	0	2246	0	2450	0	2500
Beginning Stocks	0	1545	0	1660	0	1700
Production	0	3877	0	4280	0	5200
TOTAL Mkt. Yr. Imports	0	6	0	2	0	1
Jul-Jun Imports	0	6	0	2	0	1
Jul-Jun Import U.S.	0	6	0	2	0	1
TOTAL SUPPLY	0	5428	0	5942	0	6901
TOTAL Mkt. Yr. Exports	0	2955	0	3500	0	3900
Jul-Jun Exports	0	2939	0	3500	0	3900
Feed Dom. Consumption	0	284	0	250	0	500
TOTAL Dom. Consumptic	0	813	0	742	0	1000
Ending Stocks	0	1660	0	1700	0	2001
TOTAL DISTRIBUTION	0	5428	0	5942	0	6901

Table 3: Barley PSD

PSD Table

Country Commodity	Canada				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New] 08/2002	2003 USDA Official [Old]	Estimate Post Estimate [New] 08/2003	2004 USDA Official [Old]	Forecast Post Estimate [New] 08/2004
Market Year Begin						
Area Harvested	3348	3348	4450	4500	0	4400
Beginning Stocks	2047	2048	1441	1441	2191	1700
Production	7489	7489	12300	12400	0	13200
TOTAL Mkt. Yr. Imports	247	259	50	50	0	40
Oct-Sep Imports	200	215	50	50	0	40
Oct-Sep Import U.S.	148	151	40	40	0	35
TOTAL SUPPLY	9783	9796	13791	13891	2191	14940
TOTAL Mkt. Yr. Exports	403	404	2000	2400	0	2800
Oct-Sep Exports	304	304	2000	2400	0	2800
Feed Dom. Consumption	6539	6796	8200	9000	0	9500
TOTAL Dom. Consumptic	7939	7951	9600	9791	0	10300
Ending Stocks	1441	1441	2191	1700	0	1840
TOTAL DISTRIBUTION	9783	9796	13791	13891	0	14940

Table 4: Corn PSD

PSD Table

Country Commodity	Canada		Corn		(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New] 09/2002	2003 USDA Official [Old]	Estimate Post Estimate [New] 09/2003	2004 USDA Official [Old]	Forecast Post Estimate [New] 09/2004
Market Year Begin						
Area Harvested	1283	1283	1230	1230	0	1300
Beginning Stocks	1056	1056	1111	1111	911	911
Production	8999	8999	9600	9600	0	9700
TOTAL Mkt. Yr. Imports	3946	3902	2000	2500	0	2500
Oct-Sep Imports	3836	3797	2000	2400	0	2400
Oct-Sep Import U.S.	3835	3797	0	2400	0	2400
TOTAL SUPPLY	14001	13957	12711	13211	911	13111
TOTAL Mkt. Yr. Exports	314	313	300	300	0	300
Oct-Sep Exports	306	305	300	300	0	300
Feed Dom. Consumption	10276	10121	9000	9500	0	9400
TOTAL Dom. Consumptic	12576	12533	11500	12000	0	11900
Ending Stocks	1111	1111	911	911	0	911
TOTAL DISTRIBUTION	14001	13957	12711	13211	0	13111

Table 5: Oats PSD

PSD Table

Country Commodity	Canada					
	Oats		(1000 HA)(1000 MT)			
	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin		08/2002		08/2003		08/2004
Area Harvested	1379	1379	1570	1580	0	1600
Beginning Stocks	363	363	559	559	764	584
Production	2911	2911	3700	3700	0	4100
TOTAL Mkt. Yr. Imports	48	21	5	25	0	20
Oct-Sep Imports	49	21	5	25	0	20
Oct-Sep Import U.S.	15	17	5	20	0	20
TOTAL SUPPLY	3322	3295	4264	4284	764	4704
TOTAL Mkt. Yr. Exports	928	887	1200	1700	0	1900
Oct-Sep Exports	1057	1017	1200	1700	0	1900
Feed Dom. Consumption	1246	1228	1700	1700	0	1900
TOTAL Dom. Consumptic	1835	1849	2300	2000	0	2200
Ending Stocks	559	559	764	584	0	604
TOTAL DISTRIBUTION	3322	3295	4264	4284	0	4704

Table 6: Dry Beans PSD

PSD Table

Country Commodity	Canada				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New] 08/2002	2003 USDA Official [Old]	Estimate Post Estimate [New] 08/2003	2004 USDA Official [Old]	Forecast Post Estimate [New] 08/2004
Market Year Begin						
Area Harvested	0	219	0	165	0	160
Beginning Stocks	0	30	0	65	0	60
Production	0	414	0	350	0	300
TOTAL Mkt. Yr. Imports	0	35	0	35	0	40
Jul-Jun Imports	0	33	0	33	0	35
Jul-Jun Import U.S.	0	26	0	28	0	30
TOTAL SUPPLY	0	479	0	450	0	400
TOTAL Mkt. Yr. Exports	0	297	0	300	0	270
Jul-Jun Exports	0	297	0	300	0	270
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumptic	0	117	0	90	0	80
Ending Stocks	0	65	0	60	0	50
TOTAL DISTRIBUTION	0	479	0	450	0	400

Table 7: Dry Peas PSD

PSD Table

Country Commodity	Canada				(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New] 08/2002	2003 USDA Official [Old]	Estimate Post Estimate [New] 08/2002	2004 USDA Official [Old]	Forecast Post Estimate [New] 08/2002
Market Year Begin						
Area Harvested	0	1050	0	1270	0	1200
Beginning Stocks	0	275	0	310	0	300
Production	0	1365	0	2120	0	2400
TOTAL Mkt. Yr. Imports	0	41	0	25	0	20
Jul-Jun Imports	0	40	0	25	0	20
Jul-Jun Import U.S.	0	39	0	25	0	20
TOTAL SUPPLY	0	1681	0	2455	0	2720
TOTAL Mkt. Yr. Exports	0	628	0	1300	0	1500
Jul-Jun Exports	0	631	0	1300	0	1500
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumptic	0	743	0	855	0	920
Ending Stocks	0	310	0	300	0	300
TOTAL DISTRIBUTION	0	1681	0	2455	0	2720

Table 8: Lentils PSD

PSD Table

Country Commodity	Canada Lentils					
	(1000 HA)			(1000 MT)		
	2002	Revised	2003	Estimate	2004	Forecast
Market Year Begin	USDA Official	Estimate [1]	USDA Official	Estimate [1]	USDA Official	Estimate [1]
	01/2002	01/2002	01/2002	01/2002	01/2002	01/2002
Area Harvested	0	387	0	530	0	550
Beginning Stocks	0	131	0	55	0	51
Production	0	354	0	520	0	600
TOTAL Mkt. Yr. Imports	0	9	0	6	0	5
Jul-Jun Imports	0	9	0	6	0	5
Jul-Jun Import U.S.	0	5	0	5	0	5
TOTAL SUPPLY	0	494	0	581	0	656
TOTAL Mkt. Yr. Exports	0	320	0	400	0	460
Jul-Jun Exports	0	323	0	400	0	460
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumptic	0	119	0	130	0	136
Ending Stocks	0	55	0	51	0	60
TOTAL DISTRIBUTION	0	494	0	581	0	656

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Recent Reports from FAS/Ottawa

Report Number	Title of Report	Date
CA4012	Agricore United Calls For Marketing Choice For Wheat And Barley	2/18/2004
CA4012	CWB Examines Alternative Models For Price Pooling	2/18/2004
CA4012	Government Of Canada Funds Ethanol Expansion	2/18/2004
CA4012	Ethanol Expansion Program Welcomed By OCPA	2/18/2004
CA4011	Canada Welcomes WTO Panel Report On CWB	2/13/2004
CA4011	CWB Claims Exoneration With WTO Ruling	2/13/2004
CA4011	CWB On Track To Meet Export Target	2/13/2004
CA4011	Western Canadian Wheat Growers Association Rises Again	2/13/2004
CA4010	Monsanto Stays Committed To GM Wheat Plan	2/06/2004
CA4010	Statistics Canada Releases Grain Stocks For 2003	2/06/2004
CA4009	CWB Announces Job Cuts After Completing Internal Review	1/30/2004
CA4006	CFIA Revises Appendix For Directive D-02-06 On Swede Midge	1/23/2004
CA4006	CFIA Clarifies Directive D-97-04 Pertaining To Amendments On Import Permits	1/23/2004
CA4006	BASF Developing Clearfield Lentils For Canada	1/23/2004
CA4005	Agriculture Canada Disputes Story Of Abandoning GM Wheat Research With Monsanto	1/15/2004
CA4005	Ontario Farmers Continue To Increase Their Use Of Biotechnology	1/15/2004
CA4005	Ethanol Upswing For Agriculture	1/15/2004
CA4004	Grain and Feed February Update	01/14/2004
CA4003	Barley Returns To Western Canada As Feed Of Choice	01/12/2004
CA4003	CN And CP Rail Western Grain Revenue Below Revenue Caps For Crop Year 2002/2003	01/12/2004
CA4002	Record Ontario Wheat Crop Results In Increased Exports To U.S.	01/08/2004
CA3088	CWB Wheat Pool Deficit Elicits Mixed Reaction	12/31/2003

CA3086	CWB Announces Non-Durum Wheat Pool Account Deficit	12/19/2003
CA3085	Reins Of Canadian Wheat Board Pass From Goodale	12/16/2003
CA3085	Agriculture Minister Lyle Vancilief To Retire From Politics	12/16/2003
CA3085	Canada's New Agricultural Minister	12/16/2003
CA3081	Wheat Rejected By Ukraine Not From The Prairies	12/05/2003
CA3078	Alberta Government Survey Shows Support for Voluntary Canadian Wheat Board, CWB Says Survey Flawed	11/21/2003
CA3077	Canadian Grain Commission Launches Temporary Alsen Wheat Program	11/21/2003
CA3076	Canadian Durum Exports To U.S. Expected To Resume In Late Winter	10/31/2003
CA3068	FAS Opens Toronto Office	10/16/2003
CA3065	Statistics Canada Releases September Estimates Of 2003 Principal Field Crop Production	10/10/2003
CA3065	Saskatchewan Agriculture Final Crop Year Report	10/10/2003
CA3058	Ontario Wheat Growers Opt For Open Market	9/10/2003
CA3057	Grain and Feed September Update	9/06/2003
CA3053	Fusarium Infection Falls To Lowest Level In Ten Years	8/29/2003
CA3048	Canadian Wheat Board Lowers Crop Projections	08/07/2003
CA3046	CWB Wheat and Barley Exports at Record Low Despite Reduced Production	7/25/2003
CA3045	Western Canadian Wheat Growers Association To Continue	7/23/2003
CA3044	Canadian Controversy over RR Wheat	7/23/2003
CA3042	Expectations Of A Pool Account Deficit At Canadian Wheat Board	7/16/2003
CA3040	Canadian 2003/04 Grain Estimates Revised Downward, Still Well Above 2002/03 Levels	7/10/2003
CA3038	Farmers Plant More Canola But Less Spring Wheat, Oats And Barley	7/03/2003
CA3038	CWB Sues ConAgra Over Exporting 'Conspiracy'	7/03/2003
CA3037	Wheat Virus Symptoms Evident In Southwestern Ontario	6/25/2003
CA3036	U.S. Tariffs Shut Out Canadian Wheat	6/19/2003
CA3036	Improved Moisture Conditions Lend To Increased Production In Western Canada	6/19/2003
CA3036	Focus On Quality, Variety, Says New CWB Marketing VP	6/19/2003
CA3036	Alberta Grain Marketing Test Proposal Put On Backburner Due To BSE	6/19/2003

CA3035	Ontario Corn Production Outlook Lowered	6/05/2003
CA3034	Western Canadian Farmers Switching Out Of Feed Grains To Canola	5/29/2003
CA3034	CWB Pool Deficit Possible If Pros Continue To Drop	5/29/2003
CA3034	Seeding Catching Up, Western Canadian Crop Outlook Good	5/29/2003
CA3029	Canada - Grains And Oilseeds Outlook	5/12/2003
CA3025	Pulse And Special Crops Outlook	4/25/2003
CA3021	Grain and Feed Annual Report	4/10/2003

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